

EXHIBIT B

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 11, 2023

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB900 by Patterson (Relating to the regulation of library materials sold to or included in public school libraries.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB900, As Engrossed : a negative impact of (\$2,632,407) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2024	(\$1,917,146)
2025	(\$715,261)
2026	(\$715,261)
2027	(\$715,261)
2028	(\$715,261)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$1,917,146)	5.0
2025	(\$715,261)	5.0
2026	(\$715,261)	5.0
2027	(\$715,261)	5.0
2028	(\$715,261)	5.0

Fiscal Analysis

The bill would require the Texas State Library and Archives Commission (TSLAC) to adopt standards for school library collection development with approval from the State Board of Education.

The bill would permit the Texas Education Agency (TEA) to review each library material not rated by a school library materials vendor as sexually relevant or sexually explicit material. If TEA determines that the library material is required to be rated as sexually relevant or sexually explicit material, the agency would be required to notify the school library materials vendor in writing. The notice would be required to include information regarding the school library materials vendor's duty under this section.

The bill would also require TEA to publish on the agency's website a list of school library materials vendors that fail to comply provisions of the bill.

The bill would allow a school library materials vendor placed on a described list to petition TEA for removal from the list. TEA would be allowed to remove a school library materials vendor from the list only if the agency is satisfied that the vendor has taken appropriate action to rate or change the rating of a library material.

The bill would also permit the commissioner of education to adopt rules as necessary to administer provisions of the bill.

Methodology

This analysis assumes that TEA would incur costs related to reviewing library materials not rated as sexually relevant or sexually explicit material as permitted by the bill. Such a review process would require two additional education specialists to conduct the review of school library materials vendor lists. Additionally, one education specialist would be required to implement required provisions of the bill. The total fiscal impact of position for these three specialists and two technology-related staff, including salaries, setup costs, operating costs, and benefits, is estimated to be \$0.6 million per fiscal year.

TEA indicates that the agency would be able to provide assistance to schools with existing resources.

TSLAC indicates that the agency would be able to implement provisions of the bill with existing resources.

Technology

TEA would incur costs associated with developing and maintaining a data collection system through which information from school districts and vendors would be reported to TEA. This analysis assumes that the initial development effort to develop and implement the requirements of the bill in a new application would be \$1.2 million in contracted professional services. Additional technology costs for Data Center Service would include a onetime hardware and software cost of \$11,532 and an annual ongoing cost \$108,756. Additionally, a programmer and a systems analyst, included in totals in previous section, would be needed to provide ongoing support and maintenance.

Local Government Impact

It is assumed school districts would incur costs to implement provisions of the bill related to content review of certain school library materials.

Source Agencies: 306 Library & Archives Commission, 701 Texas Education Agency

LBB Staff: JMc, KSk, ASA, ENA